

**ATTACHMENT B – SPECIFICATIONS
RFx 300021114 – SALES TAX RETURNS**

**Sales Tax Return and Schedules
(Form R-1029)**

07/01/2023 through 6/30/2024

Scope:

The vendor will be responsible for the printing, personalizing, and mailing of approximately one hundred sixty thousand (160,000) Louisiana sales tax return packets (ITEM 1) for the Louisiana Department of Revenue (LDR), meeting all specifications and requirements within this document. This quantity (160,000) is an estimation based on the prior year's mailings; therefore, the actual quantity will vary. Each packet will consist of one (1) personalized return sheet, one (1) set of schedule sheets, one (1) set of instruction sheets, and one (1) courtesy reply envelope that will all be inserted into a mailing envelope. The return sheet included in ITEM 1 will be personalized with variable taxpayer information that will be furnished to the vendor via Secure File Transfer Protocol (SFTP). This information is designated as confidential by LDR; thus, the vendor must comply with all provision set forth in the section titled Confidentiality.

In addition, the vendor will be responsible for the printing, packaging, and shipping to LDR one thousand (1,000) blank return sheets (ITEM 2), six hundred (600) schedule sheet sets (ITEM 3), and three hundred (300) instruction sheet sets (ITEM 4), meeting all specifications and requirements within this document. Since copy changes to the return sheet, the schedule sheet set, and/or the instruction sheet set may occur because of legislative changes during the contract period, the vendor must schedule the printing of the forms and instructions included in ITEMS 1, 2, 3, and 4 in quarterly segments so that no more than one quarter (1/4) of the forms and instructions is printed at a time.

NOTE: ITEM 2 is the same as the base form of the personalized return sheet included in ITEM 1. In addition, ITEMS 3 and 4 are the same as the schedule sheets and instruction sheets included in ITEM 1.

Quantities:

ITEM 1 – Approximately one hundred sixty thousand (160,000) sales tax return packets, each consisting of one (1) personalized return sheet, one (1) set of schedule sheets, one (1) set of instruction sheets, and one (1) courtesy reply envelope that will be inserted into a mailing envelope and mailed directly to taxpayers in twelve (12) mailings scheduled as follows:

<u>Not before...</u>	<u>But no later than...</u>	<u>Quantity</u>
July 20, 2023	July 27, 2023	approximately 10,000
August 20, 2023	August 27, 2023	approximately 10,000
September 20, 2023	September 27, 2023	approximately 20,000
October 20, 2023	October 27, 2023	approximately 10,000
November 19, 2023	November 26, 2023	approximately 10,000
December 20, 2023	December 27, 2023	approximately 20,000
January 20, 2024	January 26, 2024	approximately 10,000
February 18, 2024	February 24, 2024	approximately 10,000
March 18, 2024	March 24, 2024	approximately 20,000
April 20, 2024	April 26, 2024	approximately 10,000
May 20, 2024	May 26, 2024	approximately 10,000
June 20, 2024	June 27, 2024	approximately 20,000

NOTE: The quantities above are estimations; therefore, the actual quantities will vary.

Pricing must cover the manufacturing and printing of all packet parts (including the personalizing—i.e., the imaging of variable taxpayer information—on the front of the return sheet), the insertion of all packet parts into the mailing envelope, and the entire mailing process as specified in the section titled Mailing of Packets. Additionally, test samples of personalized return sheets and schedule sheets must be provided for approval at **no** additional cost—see the section titled Test Samples for the requirements of the test samples.

ITEM 2 – Exactly one thousand (1,000) blank return sheets (which are the same as the base form of the personalized return sheet included in ITEM 1, however, with no personalized taxpayer information printed)

Pricing must cover the printing, packaging, and shipping of a portion of the blank return sheets every quarter to LDR. See the section titled Printing Specifications for the specifications of the return sheet. See the section titled Deliveries for the specific quarterly delivery dates and quantities.

ITEM 3 – Exactly six hundred (600) schedule sheet sets

Pricing must cover the printing, packaging, and shipping of one hundred fifty (150) schedule sheet sets every quarter to LDR. See the section titled Printing Specifications for the specifications of the schedule sheet set. See the section titled Deliveries for the specific delivery dates.

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ITEM 4 – Exactly three hundred (300) instruction sheet sets

Pricing must cover the printing, packaging, and shipping of seventy-five (75) instruction sheet sets every quarter to LDR. See the section titled Printing Specifications for the specifications of the instruction sheet set. See the section titled Deliveries for the specific delivery dates.

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Printing
Specifications:

Since copy changes to the return sheet, the schedule sheet set, and/or the instruction sheet set may occur because of legislative changes during the contract period, the vendor must schedule the printing of the forms and instructions included in ITEMS 1, 2, 3, and 4 in quarterly segments so that no more than one quarter (1/4) of the forms and instructions is printed at a time. The following are detailed printing specifications for each item:

Return Sheet (ITEM 2 and the base form of the personalized return sheet included in ITEM 1):

Paper:	Must meet the following specifications: <table><tr><td>Color:</td><td>White</td></tr><tr><td>Weight:</td><td>28# OCR/MOCR bond (or an equivalent subject to LDR approval)</td></tr><tr><td>Smoothness:</td><td>90 minimum</td></tr><tr><td>Opacity:</td><td>91% minimum</td></tr><tr><td>Brightness:</td><td>90 minimum</td></tr></table>	Color:	White	Weight:	28# OCR/MOCR bond (or an equivalent subject to LDR approval)	Smoothness:	90 minimum	Opacity:	91% minimum	Brightness:	90 minimum
Color:	White										
Weight:	28# OCR/MOCR bond (or an equivalent subject to LDR approval)										
Smoothness:	90 minimum										
Opacity:	91% minimum										
Brightness:	90 minimum										
Size:	Eight and one half inches by eleven inches (8-1/2" x 11")										
Printing:	One (1) sheet printed front and back, head to head, in two (2) colors										
Inks:	Read Ink – PMS Black (non-magnetic ink) Reflective Ink (OCR) – Flint J-19410 (or similar red color approved by LDR) and must reflect at least eighty-five percent (85%) of the background on which the ink is printed										

Personalization
(for **ITEM 1** only):

The return sheet included in ITEM 1 will be personalized in black ink on the face of the form with taxpayer information that will include an Intelligent Mail barcode (IMb). The variable taxpayer information utilized for ITEM 1 will differ on each return form and will be supplied to the vendor via Secure File Transfer Protocol (SFTP) method. A record layout and variable data layout instructions will be provided by LDR to the successful bidder. All data fields, except the intelligent mail barcode (IMb), will be printed in black ink, in uppercase letters, and in an OCR-A font at ten (10) characters per inch and six (6) lines per inch. The IMb will be imaged meeting postal regulations and in a designated area on each return using an encoded string that will be furnished in the variable data files.

Packaging

(for **ITEM 2** only): The blank return sheets (ITEM 2) must be flat (no folds) and shrink-wrapped in units of two hundred fifty (250).

Schedule Sheet Set (ITEM 3 and included in ITEM 1):

Paper:	Must meet the following specifications: <table><tr><td>Color:</td><td>White</td></tr><tr><td>Weight:</td><td>twenty eight pound (28#) OCR/MOCR bond (or an equivalent subject to LDR approval)</td></tr><tr><td>Smoothness:</td><td>ninety (90) minimum</td></tr><tr><td>Opacity:</td><td>ninety one percent (91%) minimum</td></tr><tr><td>Brightness:</td><td>ninety (90) minimum</td></tr></table>	Color:	White	Weight:	twenty eight pound (28#) OCR/MOCR bond (or an equivalent subject to LDR approval)	Smoothness:	ninety (90) minimum	Opacity:	ninety one percent (91%) minimum	Brightness:	ninety (90) minimum
Color:	White										
Weight:	twenty eight pound (28#) OCR/MOCR bond (or an equivalent subject to LDR approval)										
Smoothness:	ninety (90) minimum										
Opacity:	ninety one percent (91%) minimum										
Brightness:	ninety (90) minimum										
Size:	Eight and one half inches by eleven inches (8-1/2" x 11")										
Printing:	Up to two (2) sheets printed front and back, head to head, in two (2) colors										
Inks:	Read Ink – PMS Black (non-magnetic ink) Reflective Ink (OCR) – Flint J-19410 (or similar red color approved by LDR) and must reflect at least eighty-five percent (85%) of the background on which the ink is printed										

Packaging

(for **ITEM 3** only): The schedule sheet sets (**ITEM 3**) must be nested and folded in a C-fold pattern with the top panel of the first page face-up. The folded sets must be packaged one hundred fifty (150) per box with a chipboard between stacks.

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Printing
Specifications (cont'd):

Instruction Sheet Set (ITEM 4 and included in ITEM 1):

Paper:	20# bond or 50 # offset, white
Size:	eight and one half inches by eleven inches (8-1/2" x 11")
Printing:	Up to four (4) sheets printed front and back, head to head, in one (1) color
Inks:	Black
Packaging (for ITEM 4 only):	The instruction sheet sets (ITEM 4) must be nested and folded in a C-fold pattern with the top panel of the first page face-up. The folded sets must be packaged seventy-five (75) per box with a chipboard between stacks.

Courtesy Reply Envelope (included in ITEM 1):

Paper:	t24# white wove
Size:	#9 (8-7/8" x 3-7/8")
Printing:	Front and back – Two (2)-color printing on front with a red colored bar at the top that bleeds over onto the back (top of flap) by one-eighth inch (1/8")
Inks:	Black and PMS 032 (red)
Postal Requirements:	It is the vendor's responsibility to ensure that the envelope meets all postal requirements.

Mailing Envelope (included in ITEM 1):

Paper:	Twenty-four pound (24#) white wove
Size:	Number (#10) (9-1/2" x 4-1/8")
Window:	The address window should be of sufficient size and positioned so that the IM barcode, name, and address on the return sheet will be visible through the window and meet U.S. postal requirements. LDR recommends the address window measures one and one fourth inches (1-1/4") x four and one half (4-1/2") and be located four and one eighth inches (4-1/8") from the left edge of the envelope and five eighths inch (5/8") from the bottom of the envelope. Layout instructions for the exact positioning of the address information will be provided by LDR to the successful bidder.
Printing:	Front only
Inks:	Black
Postal Requirements:	It is the vendor's responsibility to ensure that the envelope meets all postal requirements.

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Copy: Initial copy for the return sheet, schedule sheet set, courtesy reply envelope, and mailing envelope will be provided to the successful bidder by **June 2, 2023**, or by a date mutually agreed upon by LDR and the successful bidder. However, the initial copy for the instruction sheet set will be provided to the successful bidder by **June 8, 2023**, or by a date mutually agreed upon by LDR and the successful bidder.

Proofs: The vendor is required to provide LDR with three (3) complete sets of hardcopy color proofs prior to printing the test samples. Proofs should be a color representation of the ink colors specified and must demonstrate the positioning of the copy and the trim edges. Proofs for the return sheet, schedule sheet set, courtesy reply envelope, and mailing envelope should be provided to LDR by **June 8, 2023**, and for the instruction sheet set by **June 15, 2023**, or by dates mutually agreed upon by LDR and the successful bidder at the following address:

Shawan Washington
Policy Services Division, 7th Floor
Louisiana Department of Revenue
617 North Third Street
Baton Rouge, LA 70802-5428

Proofing time required by LDR will be a minimum of five (5) business days. After proofs have been created, but not yet approved, alterations may be needed. Bidders are requested to quote below a charge for handling any such changes:

Alterations to proofs prior to approval: \$___/page

Test Samples: After approval of proofs and prior to final printing, the vendor will be required to supply two hundred (200) test samples of the return sheet imaged with personalized taxpayer information and two hundred (200) schedule sheet samples on or before **June 19, 2023**, or by a date mutually agreed upon. The variable data to be used for personalizing the return sheet samples will be transmitted to the successful bidder by **June 12, 2023**. The return samples must be printed with all the variable taxpayer information in the designated areas. Layout instruction will be provided by LDR. The samples of the return sheets and the schedule sheets should be flat (not folded).

Delivery should be made to:

Shawan Washington
Policy Services Division, 7th Floor
Louisiana Department of Revenue
617 North Third Street
Baton Rouge, LA 70802-5428

Test time required by LDR will be a minimum of **five (5)** days.

Multiple Drafts: If the initial copy is contingent upon pending legislation that is waiting on final passage and/or the Governor's signature, drafts of multiple versions may be needed, which will involve producing proofs for each possible version and possibly test samples of each version. Bidders are requested to quote below charges for handling multiple drafts:

Proofs for additional drafts: \$___/page

Two hundred (200) test samples of additional drafts:

\$___ per version

NOTE: The charges above do not apply to the initial set of proofs and the initial four hundred (400) test samples that must be supplied at no additional cost.

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Copy Changes:

Copy changes to the return sheet, the schedule sheet set, and/or the instruction sheet set may occur because of legislative changes during the contract period such that the vendor will be required to provide proofs and test samples of the revised forms and/or instructions for approval. Bidders are requested to quote below charges for each revision that may occur:

Revision to the Return Sheet

Proofs \$ _____

200 Personalized Test Samples \$ _____

Revision to the Schedule Sheet Set

Proofs \$ _____

200 Test Samples \$ _____

Revision to the Instruction Sheet Set

Proofs \$ _____

Please note that copy for the envelopes will not change.

Because of legislative changes, the copy for the instruction sheet set may change such that the number of sheets will increase during the contract period. The bidder is requested to quote below an up-charge for each additional sheet that may be added to the instruction sheet set that is included in the packets mailed to taxpayers and that is packaged and shipped to LDR. The initial copy will be four (4) sheets printed front and back. Additional sheets will also be printed front and back.

Up-charge for additional sheets added to the instruction sheet set:

<u>Number of Sheets Added</u>	<u>Up-charge</u>
1	\$ /M _____
2	\$ /M _____

If copy has to be revised because of the law changes, the successful bidder will not be required to meet the deadlines in the specifications. The successful bidder will be provided with a new schedule.

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Variable Data:

The variable data that will be used to personalize each return sheet (ITEM 1 and test samples) will be sent by the Secure File Transfer Protocol (SFTP) method. The vendor must own the computer system that will receive the data files and must have the computer system in a secure physical location; otherwise, the vendor must accept files encrypted using PGP or GPG.

A record layout and variable data layout instructions will be provided by LDR to the successful bidder. All data fields, except the intelligent mail barcode (IMb), will be printed in uppercase letters and in an OCR-A font at ten (10) characters per inch and six (6) lines per inch. The IMb will be imaged meeting postal regulations and in a designated area on each return using an encoded string that will be furnished in the variable data files.

The variable data to be used for personalizing the return sheet test samples will be transmitted to the successful bidder by **June 12, 2023**. The production data will be transmitted no later than the following dates:

<u>SFTP Transmission Date</u>	<u>for Mailing</u>
July 1, 2023	July 21-27, 2023
August 3, 2023	August 20-26, 2023
September 1, 2023	September 20-27, 2023
October 1, 2023	October 20-26, 2023
November 1, 2023	November 19-25, 2023
December 1, 2023	December 21-28, 2023
January 3, 2024	January 20-25, 2024
February 1, 2024	February 18-25, 2024
March 1, 2024	March 21-28, 2024
April 1, 2024	April 20-26, 2024
May 2, 2024	May 20-26, 2024
June 1, 2024	June 22-26, 2024

Mailing of Packets:

The mailing of the packets (ITEM 1) and the printing of the variable data shall conform in every way with United States Postal regulations. It is the responsibility of the successful bidder to obtain complete information with regard to all necessary postal regulations and requirements in order to expedite mailing. The successful bidder will obtain a Presort Standard mailing permit using LDR's Mailer Identifier (Mailer ID or MID). The owner of the permit shall be the Louisiana Department of Revenue. Any CASS-certified non-deliverable mail pieces will be segregated and mailed at a First Class rate. The successful bidder will be reimbursed for the First Class postage paid.

The successful bidder will provide a written estimation to LDR for the expected amount of the postage and mailing permit costs for all 12 mailings by **June 12, 2023**. On or before **July 3, 2023**, LDR will send to the vendor a check payable to the U.S. Postal Service for payment of the estimated permit fee and for depositing the remainder of the check amount into the permit account. The successful bidder will obtain the necessary mailing permit prior to and in adequate time for the first mailing, which is scheduled for **July 21-27, 2023**.

IMPORTANT: A copy of the receipt or other documentation of the number of mail pieces and the actual cost of postage from the U.S. Postal Service **must** be included with the billing. For reimbursement of the First Class postage affixed to the CASS-certified non-deliverable mail pieces, the vendor **must** bill LDR on a separate invoice and **must** include with the separate billing documentation of the postage paid.

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Deliveries to LDR:

The vendor will deliver all forms and instructions (**ITEMS 2, 3, and 4**) to:

Support Services Division
Louisiana Department of Revenue
617 N. Third Street
Baton Rouge, LA 70802

by the following dates:

Delivery Date	ITEM 2 Blank Return Sheets	ITEM 3 Schedule Sheet Sets	ITEM 4 Instruction Sheet Sets
July 14, 2023.....	250.....	150.....	75.....
October 16, 2023	250.....	150.....	75.....
January 15, 2024	250.....	150.....	75.....
April 15, 2024	250.....	150.....	75.....
Total.....	1,000.....	600.....	300.....

Confidentiality:

All financial, statistical, personal, technical and other data and information relating to the State's operations which are designated confidential by the State and made available to the selected vendor in order to carry out this contract, or which become available to the vendor in carrying out this contract, shall be protected by the vendor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State.

If the selected vendor handles any returns of taxpayers or other records and files of the Louisiana Department of Revenue (LDR), or information derived therefrom, the vendor recognizes and acknowledges the confidential nature of said information, and shall comply with all the confidentiality restrictions embodied in La. R.S. 47:1508. Furthermore, the vendor recognizes that La. R.S. 47:1508.1 imposes fines up to ten thousand dollars (\$10,000) and/or imprisonment up to two (2) years upon conviction for the disclosure of information in violation of La. R.S. 47:1508.

The vendor shall disclose or make available said confidential information only to those of its employees, agents and representatives whose duties clearly justify the need to know or be exposed to such information, and then only on the basis of a clear understanding by said employees, agents and representatives of their obligation to maintain the confidential status of such information and to restrict its use in accordance with this contract. The vendor agrees and assures that data, material, and information gathered based upon this contract or disclosed to the vendor for the purposes of this contract will not be disclosed to other parties or discussed with other parties without the prior written consent of the state.

Upon discovering a possible improper inspection or disclosure of LDR data, including breaches and security incidents, by an officer or employee or any other person, the individual making the observation or receiving information must contact LDR immediately, but not later than twenty-four (24) hours after identification.

Guarantee:

The completed forms (return sheets and schedule sheets) filed by taxpayers will be read and processed on high-speed scanners—IBML ImageTrac 5 and ImageTrac 6. The vendor is to **guarantee** that his product will be of such quality that the reject rate is not more than one-half of one percent (0.005%). Also, the vendor must **guarantee** that the variable data fields, data entry fields, forms numbers, reference marks, and barcodes are printed in the designated areas as exhibited in the artwork and indicated in the layout instructions that will be provided by LDR. The placement of these items must remain constant on all copies of each form.

Penalties:

Late Penalty – The successful bidder will be solely responsible for the final product and for meeting all scheduled delivery dates. Use of a subcontractor for any portion of the processing will in no way affect the responsibility of the successful bidder. If the specified delivery dates are not met because of any fact or circumstance that is or was within the control of the successful bidder (including delays in shipment), a late penalty may be imposed at the discretion of LDR for every day that the item remains undelivered. Such late penalty shall be equal to one percent (1%) of the bid amount per day.

Other Penalties – The successful bidder will be solely responsible for the final product and for meeting the printing specifications. Use of a subcontractor for any portion of the processing will in no way affect the responsibility of the successful bidder. If the form cannot be scanned because the quality of the printing or imaging and the cause or circumstance is or was within the control of the successful bidder, a penalty of five thousand dollars (\$5,000) may be imposed at the discretion of LDR on the vendor to compensate for the cost of processing the forms through manual intervention.

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Summary of

Scheduled Dates:

June 2, 2023..... LDR sends initial copy to vendor for return sheet, schedule sheet set, courtesy reply envelope, and mailing envelope.

June 8, 2023..... LDR sends initial copy to vendor for instruction sheet set.

June 8, 2023..... **Vendor** delivers proofs to LDR for return sheet, schedule sheet set, courtesy reply envelope, and mailing envelope.

June 14, 2023..... LDR transmits data for test samples to vendor.

June 14, 2023..... **Vendor** provides a written estimation for the expected amount of postage and mailing permit costs.

June 17, 2023..... **Vendor** delivers proofs to LDR for instruction sheet set.

June 21, 2023..... **Vendor** delivers test samples.

July 1, 2023..... LDR transmits production data to vendor and sends check for postage and permit costs.

July 15, 2023..... **Vendor** delivers 1,000 blank return sheets, 750 schedule sheet sets, and 450 instruction sheet sets to LDR.

July 21-27, 2023 **Vendor** mails sales tax return packets to taxpayers.

August 3, 2023..... LDR transmits production data to vendor.

August 20-26, 2023..... **Vendor** mails sales tax return packets to taxpayers.

September 1, 2023 LDR transmits production data to vendor.

September 20-27, 2023 **Vendor** mails sales tax return packets to taxpayers.

October 1, 2023..... LDR transmits production data to vendor.

October 15, 2023 **Vendor** delivers 1,000 blank return sheets, 750 schedule sheet sets, and 450 instruction sheet sets to LDR.

October 20-26, 2023..... **Vendor** mails sales tax return packets to taxpayers.

November 1, 2023 LDR transmits production data to vendor.

November 19-25, 2023 **Vendor** mails sales tax return packets to taxpayers.

December 1, 2023 LDR transmits production data to vendor.

December 21-28, 2023 **Vendor** mails sales tax return packets to taxpayers.

January 3, 2024..... LDR transmits production data to vendor.

January 14, 2024..... **Vendor** delivers 1,000 blank return sheets, 750 schedule sheet sets, and 450 instruction sheet sets to LDR.

January 20-25, 2024..... **Vendor** mails sales tax return packets to taxpayers.

February 1, 2024 LDR transmits production data to vendor.

February 18-25, 2024 **Vendor** mails sales tax return packets to taxpayers.

March 1, 2024..... LDR transmits production data to vendor.

March 18-25, 2024..... **Vendor** mails sales tax return packets to taxpayers.

April 1, 2024..... LDR transmits production data to vendor.

April 15, 2024..... **Vendor** delivers 1,000 blank return sheets, 750 schedule sheet sets, and 450 instruction sheet sets to LDR.

April 20-26, 2024..... **Vendor** mails sales tax return packets to taxpayers.

May 2, 2024 LDR transmits production data to vendor.

May 21-28, 2024..... **Vendor** mails sales tax return packets to taxpayers.

June 1, 2024..... LDR transmits production data to vendor.

June 22-27, 2024 **Vendor** mails sales tax return packets to taxpayers.